

## ELIZABETH RAY

<p style="text-align: right;">69</p> <p>1 of the computer programs that's used in the title 2 industry? 3 A. There's several. There's Ram Quest, 4 there's Title Express, there's Soft Pro, there's 5 Closer's Choice. 6 Q. Land Tech? 7 A. I don't know about Land Tech, but, yeah, 8 I guess so. 9 Q. Those are the big ones, are they not? 10 A. They are pretty, I think -- I guess. I 11 don't know. 12 Q. Do you know of any other ones? 13 A. No. 14 Q. Do you have any familiarity with those 15 software programs? 16 A. Very little. 17 Q. Have you ever used them? 18 A. I've seen -- I've seen some of them, 19 seen one of them do it. I have used Title Express 20 and Soft Pro. 21 (Mr. Snyder enters.) 22 BY MR. GORDON: 23 Q. For the agents who are using the 24 computer programs, that information is stored in the 25 computer for the individual transactions, is it not?</p>	<p style="text-align: right;">71</p> <p>1 A. In my own personal, just sold a house in 2 Texas, I wasn't paying for title insurance, I didn't 3 care. 4 Q. So you didn't make a request -- 5 A. No. If I was paying the premium for the 6 title insurance, I would do my investigation, I 7 would care. I would direct it to who I would know 8 do -- you know, who I know. 9 Q. Chicago Title? 10 A. Yeah. 11 Q. But since you were the seller, you 12 didn't care? 13 A. Correct. 14 Q. In the vast majority of circumstances, 15 though, the borrower doesn't get involved in the 16 decision on which title insurer will be issuing the 17 policy, do they? 18 MR. MAY: Object to form. 19 A. Again, you know, it could vary, you 20 know. I don't know. 21 Q. Really? 22 A. I guess I'm not understanding your 23 question. 24 Q. I guess you're not. In the vast 25 majority of circumstances, does the borrower get</p>
<p style="text-align: right;">70</p> <p>1 A. I guess, I don't know. 2 Q. Okay. Now, the closing papers are what 3 comes next, after the title commitment is issued? 4 A. Not necessarily. 5 Q. Well, let's back up a step. When the 6 title commitment is issued, does the borrower 7 typically have a say in which title insurance 8 company is going to issue their insurance? 9 A. Absolutely. 10 Q. How does that happen? 11 A. If they request it. 12 Q. Okay. So if a borrower comes forward 13 affirmatively and says I want Chicago Title or I 14 want Stewart Title, that that would be honored? 15 A. Absolutely. Anything that the borrower 16 requests. 17 Q. How often does that happen, Ms. Ray? 18 A. I don't know. 19 Q. Do you know of it ever happening? 20 A. Yes. 21 Q. What was the circumstance? 22 A. Whether it be an employee or a sister or 23 a relative that knows somebody in the industry, I've 24 heard it happen. 25 Q. Okay.</p>	<p style="text-align: right;">72</p> <p>1 involved in the decision as to which title insurer 2 will be issuing the policy? 3 A. They should. 4 Q. Okay. That wasn't my question, Ms. Ray. 5 Do they? 6 A. Some do, some don't, you know. A lot -- 7 oftentimes the borrower relies on the real estate 8 agent or the mortgage broker as to where to go. 9 Q. So is it your testimony that the real 10 estate agent chooses the title insurance company, 11 Ms. Ray? 12 A. Sometimes, sometimes not. 13 Q. And that's your experience in the 14 industry? 15 A. Whether -- again, whether it be like 16 either a real estate agent or a -- other agent or 17 their mortgage broker. 18 Q. Okay. Maybe I should ask it a different 19 way, because I think I'm a little confused. Are 20 they -- is the real estate agent involved in the 21 selection of the title agent or of the insurance 22 company that's issuing the policy? 23 A. The real estate agent, it's their 24 choice, whether they want to go to an agent or a 25 direct office underwriter.</p>

## ELIZABETH RAY

<p style="text-align: right;">73</p> <p>1 Q. Okay. Of the policies that were written 2 in the Eastern District of Pennsylvania last year, 3 what percentage were directly written by Chicago 4 Title? 5 A. I don't have that figure, I don't know. 6 Q. Do you know what percentage it would be? 7 A. No. 8 Q. Is it less than five percent? 9 A. I don't know. 10 Q. Is that information readily available to 11 you? 12 A. No. I've never asked for it. I would 13 ask my manager. 14 Q. Have you ever looked at the numbers? 15 A. No. 16 Q. Do you have any knowledge, whatsoever, 17 as to what percentage it is? 18 A. No. 19 Q. Okay. So I'm going to ask my question 20 again. Is it your understanding that the real 21 estate agents choose the title insurers who issued 22 policies, or do they choose the title agent often? 23 MR. MAY: Object to form. Go ahead. 24 A. Again, they would choose either an agent 25 or an underwriter, go to a direct office, you know,</p>	<p style="text-align: right;">75</p> <p>1 of any sort of -- removal of the items, in Schedule 2 B Section 1. 3 Q. And with respect to the Cohen's 4 transaction, that would be on page 0048, of 5 Deposition Exhibit 5, correct? 6 A. 0046, 0047. 7 Q. Okay. 8 A. And 0048. 9 Q. Beyond what's in Schedule B, Section 1, 10 does the conveyancer try to get any other 11 information from the borrower, to the best of your 12 knowledge? 13 A. I don't know what else they would get, 14 other than what's in connection with it. 15 Q. Okay. Assuming that all the conditions 16 of Schedule B-1 have been satisfied, what happens 17 next? 18 A. Scheduling a settlement date and hoping 19 you get the papers on time. 20 Q. Settlement date is also known as the 21 closing? 22 A. Correct. 23 Q. And that's handled by the agent, is it 24 not? 25 A. Yes, it is.</p>
<p style="text-align: right;">74</p> <p>1 it varies. 2 Q. But you don't know, really, do you? 3 A. Yeah, I don't. 4 Q. Okay. What happens after the title 5 commitment is issued? 6 A. Typically, the conveyancing part of it 7 would need to be met, based on the information in 8 the commitment for title insurance. And the 9 conveyancing part would include, again, if we're 10 referring to this particular case. In this case I 11 would assume that an employee from the agent, from 12 the agency would be in contact with the buyer to 13 obtain certain information to get payoffs, to get, 14 you know, get their permission, to get tax 15 information, et cetera. You know, a question about 16 any sort of, you know, in this case, it seems like 17 water and sewer were due and in this case as well. 18 Q. And I'm sorry, I missed that. Who would 19 be in contact with the -- 20 A. An employee of the agent. 21 Q. Okay. 22 A. It would be a -- I guess they are called 23 a conveyancer. So they would try to gather all the 24 information together to remove items that are placed 25 in Section B-1 of the commitment. Or get evidence</p>	<p style="text-align: right;">76</p> <p>1 Q. And the agent is in control of the 2 closing on the loan, are they not? 3 MR. MAY: Object to form. 4 A. I don't know if any closer has any 5 control over a loan, to be honest. We rely on other 6 third parties to bring everyone together at the 7 table. 8 Q. But they are the hub of the closing, are 9 they not? 10 A. Try to accommodate everybody involved in 11 the transaction, whether it be the -- No. 1 and most 12 important the borrower, the mortgage lender or the 13 mortgage broker. So relying on -- 14 Q. In most instances isn't this typically 15 the first time that the borrower or buyer meets the 16 title company? 17 A. Typ -- 18 MR. MAY: Object to form. You can 19 answer. 20 A. Yeah, typically, yeah. 21 Q. And at this point, prior to the closing, 22 the borrower has not seen the title commitment, have 23 they? 24 A. Some agents do send it out, some agents 25 don't. I don't know, really.</p>

## ELIZABETH RAY

<p style="text-align: right;">77</p> <p>1 Q. Okay. And the policy typically is not 2 issued unless it's a short form policy, at the 3 closing? 4 A. Correct. 5 Q. In 2002, when the Cohen transaction took 6 place, did Chicago Title have any form or any other 7 disclosure that advised the consumers of the 8 availability of a reissue rate? 9 A. No. 10 Q. How about the same question for the 11 refinance rate? 12 A. Oh, no. 13 Q. How about presently, does Chicago Title 14 have a form disclosure advising consumers of the 15 availability of a reissue rate? 16 A. Presently, based on the changes of the 17 updated TIRBOP manual of 2005, it is now required 18 for agents to put that information within their 19 commitment for title insurance. 20 Q. Okay. 21 A. Disclose it. 22 Q. And the same for the refinance rate? 23 A. Corr -- I'm not -- and I'm talking about 24 reissue, typically. 25 Q. Okay. Is there any form disclosure that</p>	<p style="text-align: right;">79</p> <p>1 sure that it gets recorded and recording comes back 2 and the agent issues the policy? 3 Q. Does the agent also, at some point along 4 the way, conduct a bring-to-date search? 5 A. Yes. 6 Q. And when does that happen? 7 A. That typically happens the day before or 8 two days before settlement. 9 Q. And you said that thereafter, the policy 10 is actually issued? 11 A. Okay. 12 Q. When does Chicago Title get a copy of 13 the policy? 14 A. Typically, six months after the 15 transaction closes with the premium. Sometimes 16 it's -- you know, some agents are -- cut checks at 17 settlement, some don't. Some have escrow accounts 18 or actually another account set aside for the 19 underwriter's portion of the premium, and, you know, 20 could be six months, could be nine months. It 21 varies. 22 Q. And is there a remittance log that is 23 sent to Chicago Title by the agent? 24 A. Some agents do send in the remittance 25 log, some agents do not.</p>
<p style="text-align: right;">78</p> <p>1 is given to the consumer presently by Chicago Title 2 or their agents relating to the availability of the 3 refinance rate? 4 A. Other than Internet sites that you could 5 rely on. Anyone can Google, PA title insurance. 6 Q. I'm talking about a form disclosure 7 that's given to the consumer. 8 A. There's no form disclosures that we are 9 prepare to give to agents. 10 Q. With respect to refinance rates? 11 A. Correct. 12 Q. And at the closing, what happens? 13 A. Typically, at closing your -- the 14 lender's instructions come, title agent prepares a 15 settlement sheet based on instructions and based on 16 information found in the conveyancing aspect and 17 puts a settlement sheet together and -- excuse me -- 18 and closes the transaction. And collects 19 identification, et cetera, notarizes certain 20 documents on behalf of the lender, the settlement. 21 Q. And after that, what happens? 22 A. Settlement agent will then proceed to 23 disburse the proceeds, the loan -- as soon as they 24 get the loan proceeds and send the documents for 25 recording. And we will set that file aside and make</p>	<p style="text-align: right;">80</p> <p>1 Q. Okay. I ask you to take a look at 2 Deposition Exhibit 4 that's been previously marked 3 in this case. Is that a remittance log? 4 A. It's a register detail from our company. 5 Q. How -- what is this? Do you know -- 6 have you ever seen this before? 7 A. Yeah, it's through the company. What's 8 been remitted in from an agent. 9 Q. From the company, you mean corporate? 10 A. Correct, corporate? 11 Q. And this is based upon information that 12 is given to Chicago Title by the agent? 13 A. Correct. 14 Q. This isn't all the information, though, 15 that's given? 16 MR. MAY: Object to form. 17 A. No, it's not. 18 Q. Okay. I see up at the top it says 19 Fidelity National Financial. 20 A. Mm-hmm. Which is the former parent 21 company of Fidelity National Title Group. 22 Q. Okay. So when you say that it's done 23 out of corporate -- 24 A. Mm-hmm. 25 Q. -- do you mean that it's done by</p>

## ELIZABETH RAY

<p style="text-align: right;">81</p> <p>1 Fidelity National?</p> <p>2 A. It's done by Fidelity National Financial</p> <p>3 which is the corporate. This is a system -- what</p> <p>4 this report is it's a system generated through what</p> <p>5 they call the National Agency Solutions.</p> <p>6 Q. National Agency Solutions?</p> <p>7 A. Mm-hmm, NAS.</p> <p>8 Q. Is that a -- it's a computer program</p> <p>9 used by all the Fidelity National companies?</p> <p>10 A. Correct.</p> <p>11 Q. And can reports be generated off of</p> <p>12 this?</p> <p>13 A. This is one particular report.</p> <p>14 Q. The answer is yes?</p> <p>15 A. Yes.</p> <p>16 Q. If you, for example, as a</p> <p>17 representative, wanted to obtain information about</p> <p>18 all of the policies that were listed about a</p> <p>19 particular agent for a particular time period, you</p> <p>20 could get that information, could you not?</p> <p>21 A. No.</p> <p>22 Q. Why do you say you couldn't get it?</p> <p>23 A. Because National Agency Solutions, the</p> <p>24 NAS system, was incorporated in 2000. So anything</p> <p>25 prior to 2000, I did not have access to.</p>	<p style="text-align: right;">83</p> <p>1 Q. Okay. Who, in your office would have</p> <p>2 information of National Agency Solutions' database?</p> <p>3 A. Myself, my manager and my coworker as</p> <p>4 well, Betty Wilcox of our office. She does agency</p> <p>5 accounting, and that's it.</p> <p>6 Q. Is the information that's contained on</p> <p>7 this spreadsheet inputted at your office or at</p> <p>8 corporate?</p> <p>9 A. This is inputted in corporate.</p> <p>10 Q. Okay. So there is something that goes</p> <p>11 to corporate from your office?</p> <p>12 A. Downloaded, right.</p> <p>13 Q. Okay.</p> <p>14 A. Typically -- yeah. Typically, when the</p> <p>15 remittance -- some -- some agents will remit locally</p> <p>16 because we like to see a copy of the final -- the</p> <p>17 final policy, with the -- with the remittance. So</p> <p>18 typ -- some agents do send in a copy of the owner --</p> <p>19 the final owners and loan policy with their</p> <p>20 remittances. And that's then submitted locally and</p> <p>21 then downloaded in Chicago, which is where the</p> <p>22 agency accounting is, one part of the agency</p> <p>23 accounting.</p> <p>24 Q. And looking at this data base, it's easy</p> <p>25 to determine, it is it not, whether or not an agent</p>
<p style="text-align: right;">82</p> <p>1 Q. I'm asking you from today, if you wanted</p> <p>2 to go back in time and get a report for a particular</p> <p>3 agent for a particular time period, you could do</p> <p>4 that?</p> <p>5 A. If I was going to request a report after</p> <p>6 the year 2000, I could.</p> <p>7 Q. And you could get various types of</p> <p>8 information about the transactions that took place,</p> <p>9 could you not?</p> <p>10 A. Basically, the reports limit to exactly</p> <p>11 what you see here. I have a policy number, a file</p> <p>12 number, a policy date, a policy amount, gross,</p> <p>13 percentage, commission, net, and that's it, and</p> <p>14 batch numbers. That's typically what would be on</p> <p>15 the report. This is the only information that we</p> <p>16 would see.</p> <p>17 Q. Have you ever asked for a report that</p> <p>18 had more information?</p> <p>19 A. No.</p> <p>20 Q. Can a report with more information be</p> <p>21 generated?</p> <p>22 MR. MAY: Object to form.</p> <p>23 A. I don't know.</p> <p>24 Q. Could be?</p> <p>25 A. I don't know. I really don't.</p>	<p style="text-align: right;">84</p> <p>1 gave a particular borrower or buyer the reissue</p> <p>2 rate?</p> <p>3 A. Based on the gross premium, I mean, I</p> <p>4 mean --</p> <p>5 Q. You could go look it up?</p> <p>6 A. You could, I guess.</p> <p>7 Q. Or you could do a simple mathematical</p> <p>8 calculation and figure it out?</p> <p>9 A. Correct.</p> <p>10 Q. How can you tell, based upon the</p> <p>11 spreadsheet, whether it's an owner's policy or a</p> <p>12 lender's policy, that was issued?</p> <p>13 A. Well, I know that the 72106 prefix --</p> <p>14 Q. You are talking about policy number?</p> <p>15 A. Policy number.</p> <p>16 Q. Okay.</p> <p>17 A. The 72106 prefix is the owner's policy,</p> <p>18 and 72107 is typically a lender policy.</p> <p>19 Q. Okay. So based upon this spreadsheet,</p> <p>20 Deposition Exhibit No. 4, does it appear or would</p> <p>21 you agree that the owner's policies are all listed</p> <p>22 first and then the lender's policies are listed</p> <p>23 after that?</p> <p>24 A. Correct. So it's very difficult for me</p> <p>25 to look at this report and see whether or not a</p>



## ELIZABETH RAY

<p style="text-align: right;">85</p> <p>1 quick premium is charged, being that they're not  2 back to back. On a typical sell, an owner's  3 policy -- if -- if the buyer pays for an owner's  4 policy, they can -- under a simultaneous issuance,  5 they get the loan policy for free. So, you know,  6 this report is not that great detailed.  7 Q. Okay. What does it mean, though, if you  8 could turn, for example, to Page 0554.  9 A. My number is cut off. Is it Page 10 on  10 the bottom?  11 Q. Page 10, yeah.  12 A. Okay.  13 Q. In the file number there what's it say,  14 S-I-M. Does that mean simultaneous issue?  15 A. It could be simultaneous -- yeah, I  16 assume that would be -- I don't know. I assume it  17 would be simultaneous issue.  18 Q. Okay. And if we look up at the top --  19 let's look at the second transaction, or the second  20 one listed, it's 72107, which indicates that it's a  21 lender's policy, correct?  22 A. Correct.  23 Q. And then it says, dash 359345 --  24 A. Mm-hmm.  25 Q. -- as the policy number. And there</p>	<p style="text-align: right;">87</p> <p>1 able to get a printout of that?  2 A. No.  3 Q. Is that available in the Chicago Title  4 system?  5 A. I don't know.  6 Q. You don't know?  7 A. Unh-uh.  8 Q. Okay. You do know, however, that the  9 numbers are reported to the State of Pennsylvania?  10 A. Yes.  11 Q. And that is it reported how many reissue  12 rate and how many refinance rate transactions took  13 place?  14 A. I'm aware of it.  15 Q. Excuse me?  16 A. I am aware of that.  17 Q. So at some point place in the Chicago  18 Title computer system, that information has to  19 appear?  20 A. I'm sure, I guess.  21 Q. Do you know if in Pennsylvania, Chicago  22 Title and its agents have an obligation to only  23 charge the consumer the best rate for which they  24 apply? I'm sorry, the best rate that applies to  25 their transaction. Strike that. Let me ask the</p>
<p style="text-align: right;">86</p> <p>1 are one, two, three, four that have that same policy  2 number?  3 A. Correct.  4 Q. Does that indicate that they were  5 endorsements? What does that indicate to you?  6 A. It indicates that there are endorsements  7 under the loan policy.  8 Q. And does it also indicate that there was  9 a simultaneously issued policy?  10 A. I'd have to go back and -- on what it  11 says, the file number. Again, I'm not familiar with  12 a lot of these codes on here, so I don't know.  13 Q. Do you know what batch number means?  14 A. No, not really. My understanding of a  15 batch number is basically the -- how the agent  16 submits in a batch of policies to the underwriter.  17 So -- so it seems like a lot of these have the same  18 batches. This policy is reported all in one batch.  19 Q. Do you recall if Chelsea used a  20 remittance log to send its policies to Chicago  21 Title?  22 A. I don't recall.  23 Q. If you wanted a printout of whether or  24 not Chelsea gave the reissue rate or the refinance  25 rate in any particular transaction, would you be</p>	<p style="text-align: right;">88</p> <p>1 question again.  2 A. Okay.  3 Q. Do you know in Pennsylvania if Chicago  4 Title and its agents have an obligation to only  5 charge the consumers the best rate that applies to  6 their particular transaction?  7 MR. MAY: Object to form. You can  8 answer.  9 A. I'm sorry, can you repeat the question.  10 I'm not understanding it.  11 MR. GORDON: Could you read it back,  12 please?  13 (Pertinent portion of the record is read  14 back.)  15 A. The agents and underwriters must charge  16 the rate that's applicable with the TIRBOP manual.  17 Q. So is that a yes, they have to give them  18 the best rate that's applicable?  19 A. What's applicable based on the TIRBOP  20 manual. They have to follow the rules and  21 regulations that are in the TIRBOP manual.  22 Q. Okay. I guess I'm confused. Does that  23 mean that Chicago Title and its agents have to apply  24 the best rate that is applicable under the TIRBOP  25 manual for the particular transaction?</p>

## ELIZABETH RAY

<p style="text-align: right;">89</p> <p>1 MR. MAY: Object the form because it</p> <p>2 misstates a prior answer, but...</p> <p>3 A. They are supposed to charge what's based</p> <p>4 in the TIRBOP manual, agents and underwriters.</p> <p>5 Q. Is it your opinion that they don't have</p> <p>6 to give the best rate that's available?</p> <p>7 MR. MAY: Object to form.</p> <p>8 A. I'm not understanding your question,</p> <p>9 actually.</p> <p>10 Q. Okay. How is it determined, based upon</p> <p>11 the TIRBOP manual, what rate applies to a particular</p> <p>12 insurance policy that's being issued?</p> <p>13 A. Okay. Based on, you know, the</p> <p>14 applicable charges that are available, based on the</p> <p>15 TIRBOP manual, depends on, each case scenario, each</p> <p>16 transaction.</p> <p>17 Q. And if a borrower comes in and qualifies</p> <p>18 for the reissue rate, are they required to get it?</p> <p>19 A. If they -- I'm sure, yeah, absolutely.</p> <p>20 If they require -- I mean, I'm sure if they produce</p> <p>21 certain evidence to the agent, in order to get the</p> <p>22 reissue rate, for example, a copy of the HUD</p> <p>23 statement or a copy of the prior policy --</p> <p>24 Q. Okay.</p> <p>25 A. -- would be typically -- would be --</p>	<p style="text-align: right;">91</p> <p>1 Q. The best rate that's available for the</p> <p>2 consumer?</p> <p>3 A. Correct.</p> <p>4 Q. Okay. Now, the during the time period</p> <p>5 that you have been employed by Chicago Title, that's</p> <p>6 been a boom year for the industry, hasn't it?</p> <p>7 MR. MAY: Object to form. We're also</p> <p>8 getting into the -- well, I'll let the questioning</p> <p>9 develop, but object to form.</p> <p>10 A. From the time of 2001 to present,</p> <p>11 interest rates were extremely low at five percent,</p> <p>12 meaning that there were a lot of -- a lot more</p> <p>13 activity in the real estate industry.</p> <p>14 Q. Hasn't that time period, in fact, been</p> <p>15 the largest number of refi's in the history of the</p> <p>16 industry?</p> <p>17 A. I don't know.</p> <p>18 Q. It's been a boom, hasn't it?</p> <p>19 A. There was a boom in the nineties, so...</p> <p>20 I don't know.</p> <p>21 Q. As big as the boom from 2001 to 2005,</p> <p>22 Mrs. Ray?</p> <p>23 A. I don't know.</p> <p>24 Q. You don't know?</p> <p>25 A. I don't know.</p>
<p style="text-align: right;">90</p> <p>1 what would be typical to have the borrow...</p> <p>2 Q. I'm asking you right now, if a borrower</p> <p>3 qualifies for the reissue rate, are they required to</p> <p>4 get the reissue rate?</p> <p>5 A. Yes.</p> <p>6 Q. If the borrower qualifies for a better</p> <p>7 rate, the refinance rate, are they required to get</p> <p>8 the refinance rate instead?</p> <p>9 A. Yes.</p> <p>10 Q. So I'll ask my question again. If a</p> <p>11 borrower qualifies for a particular rate, is -- are</p> <p>12 Chicago Title and its agents required to provide the</p> <p>13 best rate possible?</p> <p>14 MR. MAY: I'm going to object to form</p> <p>15 again. You can answer.</p> <p>16 A. Sure, yes.</p> <p>17 Q. They can't, for example, give someone</p> <p>18 the standard rate if the individual qualifies for</p> <p>19 the refinance rate?</p> <p>20 A. They cannot, you said?</p> <p>21 Q. That's not permissible, is it?</p> <p>22 A. If the borrower qualifies for the re --</p> <p>23 for the substitution rate, the agent is supposed to</p> <p>24 charge the substitution rate or the reissue rate or</p> <p>25 the basic rate, whichever applies.</p>	<p style="text-align: right;">92</p> <p>1 Q. You don't know if it was a boom period?</p> <p>2 A. You know, there is a boom period in the</p> <p>3 nineties, there was a period, you know -- you know,</p> <p>4 after 2001. I don't know.</p> <p>5 MR. MAY: You know, you're asking the</p> <p>6 witness about economic data in the U.S. economy.</p> <p>7 I'm sure there's experts on that. But you can go</p> <p>8 ahead.</p> <p>9 MR. GORDON: No, I'm asking the witness</p> <p>10 in her experience have there been a lot of refi's</p> <p>11 from the period 2001 to let's say 2005.</p> <p>12 A. There is a lot of activity, kind of</p> <p>13 declined, I understand in 2005, versus 2004. It</p> <p>14 could have stayed the same. I really don't know.</p> <p>15 Q. Okay.</p> <p>16 A. Okay.</p> <p>17 Q. Is it your understanding that during</p> <p>18 this time period sometimes people refinance multiple</p> <p>19 times?</p> <p>20 A. Yeah.</p> <p>21 Q. I'd like you to take a look at</p> <p>22 Exhibit 18, please. I'll hand it to you.</p> <p>23 A. Okay.</p> <p>24 Q. This is a two-page document. I just</p> <p>25 want you to focus on the first page. The second</p>

## ELIZABETH RAY

<p style="text-align: right;">93</p> <p>1 page is a list of lawsuits.</p> <p>2 I want to ask you specifically about the</p> <p>3 first page. This was prepared by your counsel, and</p> <p>4 it's a representation --</p> <p>5 MR. MAY: He's just asking about the</p> <p>6 first page. You don't have to look at the second</p> <p>7 page.</p> <p>8 THE WITNESS: Oh, okay, I'm sorry.</p> <p>9 MR. GORDON: I thought I said that.</p> <p>10 MR. MAY: You did.</p> <p>11 THE WITNESS: You did.</p> <p>12 MR. MAY: But the witness was still</p> <p>13 looking at the second page.</p> <p>14 BY MR. GORDON:</p> <p>15 Q. I would also like you to look at</p> <p>16 Deposition Exhibits 12 through 17.</p> <p>17 A. Okay.</p> <p>18 Q. We're going to reference those as we go</p> <p>19 through. Have you ever seen Deposition Exhibits 12</p> <p>20 through 15, or reports similar to those?</p> <p>21 A. No.</p> <p>22 Q. Those are reports that were produced to</p> <p>23 us as the reports that are submitted to the State of</p> <p>24 Pennsylvania on the number of transactions -- the</p> <p>25 number of policies that are issued, and Deposition</p>	<p style="text-align: right;">95</p> <p>1 But let me just remind the witness that</p> <p>2 this is not an endurance thing. We have been going</p> <p>3 about two hours. If you do need a break, you're</p> <p>4 entitled to a break.</p> <p>5 MR. SNYDER: I don't recall, whatever I</p> <p>6 put on the record at the last deposition. I thought</p> <p>7 it was correct. I'd have to look at it again and</p> <p>8 redo the numbers.</p> <p>9 MR. MAY: Richard, we'll accept your</p> <p>10 representation as to what we sent.</p> <p>11 MR. GORDON: Okay. Thank you.</p> <p>12 BY MR. GORDON:</p> <p>13 Q. Just for the record, though, to make</p> <p>14 sure it's crystal clear, the representation, I</p> <p>15 believe, was made on Page 100 of Jodi Reimer's</p> <p>16 deposition transcript, that is was Pages 9 and 10 of</p> <p>17 each report. And if you could take a look, it says</p> <p>18 at the bottom, it says, All policies. Do you see</p> <p>19 that line? At the very bottom.</p> <p>20 A. Mm-hmm.</p> <p>21 Q. It says number -- it says basic rate is</p> <p>22 10,673. The reissue rate, 4168, and then there's</p> <p>23 nothing for refinance rate. And if you take a look</p> <p>24 at Deposition Exhibit No. 18, if you look over in</p> <p>25 the owner's policy column, it says --</p>
<p style="text-align: right;">94</p> <p>1 Exhibit No. 18 in particular -- you can look at</p> <p>2 Deposition Exhibit No. -- well, let's look at one in</p> <p>3 the middle. Let's look at the 2002 spreadsheet.</p> <p>4 Can you identify that? Or I'll take a look and I'll</p> <p>5 hand it to you.</p> <p>6 This is where I learned that I'm getting</p> <p>7 older, from the print.</p> <p>8 MR. MAY: I just got new glasses.</p> <p>9 BY MR. GORDON:</p> <p>10 Q. This is Deposition Exhibit No. 15.</p> <p>11 These are the summary sheets provided for 2002, and</p> <p>12 if you could turn to Pages 9 and 10, the</p> <p>13 representation from your counsel -- and please</p> <p>14 correct me if I'm wrong, Mr. May, is that it is off</p> <p>15 of Pages 9 and 10 that deposition (sic) No. 18 was</p> <p>16 compiled.</p> <p>17 MR. MAY: Let me defer to Mr. Snyder on</p> <p>18 that since he's the one who compiled the -- you want</p> <p>19 for me to have him take a look at that?</p> <p>20 MR. GORDON: Sure.</p> <p>21 MR. MAY: While he's doing that --</p> <p>22 MR. GORDON: It was actually in the</p> <p>23 record that it was said, but...</p> <p>24 MR. MAY: I'm sure it is. I'm not --</p> <p>25 challenge you, I just don't know.</p>	<p style="text-align: right;">96</p> <p>1 MR. MAY: What year, what year?</p> <p>2 MR. GORDON: 2002. The 4168 matches up.</p> <p>3 Then if you add that to what is on the form of the</p> <p>4 basic rate, which is 10,673, you end up with a total</p> <p>5 of 14,841. Okay?</p> <p>6 A. Okay.</p> <p>7 Q. If you turn to Page 10, these are for</p> <p>8 the lender's policies, same type of summary. And if</p> <p>9 you look at the totals, it will say that there's</p> <p>10 basic rate was given 5,954 times. Do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. The reissue rate was given 5,032 times.</p> <p>13 A. Mm-hmm.</p> <p>14 Q. And the refinance rate was given 1,304</p> <p>15 times. And if you add together 1,304, 5,032 and</p> <p>16 5,954, going over to the column, Deposition Exhibit</p> <p>17 No. 18 where it says lender's policy, you will get</p> <p>18 to the total 12,290.</p> <p>19 A. Okay.</p> <p>20 Q. Okay? But I'm curious. If you look,</p> <p>21 again, on the same page of the exhibit, but where it</p> <p>22 says Page 11, you have a column for ALTA short form</p> <p>23 residential policy.</p> <p>24 A. Mm-hmm.</p> <p>25 Q. And that's 4,863?</p>

## ELIZABETH RAY

<p style="text-align: right;">97</p> <p>1 A. Mm-hmm.</p> <p>2 Q. There's no indication for any of those</p> <p>3 that the reissue rate was ever given, is there?</p> <p>4 A. No.</p> <p>5 Q. And there's no indication for any of</p> <p>6 those that the refinance rate was ever given, is</p> <p>7 there?</p> <p>8 A. No.</p> <p>9 Q. And that would still be -- the ALTA</p> <p>10 short form, other than the \$125 amount that has to</p> <p>11 be added on would be the exact same -- would be</p> <p>12 subject to the same rates as any other policy?</p> <p>13 A. Correct.</p> <p>14 MR. GORDON: Okay. So, Mr. May, I will</p> <p>15 put this to you. It appears that Deposition Exhibit</p> <p>16 No. 18 is incorrect because it does not add in any</p> <p>17 of the ALTA short form policies.</p> <p>18 MR. MAY: You may be correct. If you</p> <p>19 had raised this with us beforehand, we would have</p> <p>20 been happy to investigate and make a statement at</p> <p>21 the deposition.</p> <p>22 MR. GORDON: Well, I would ask you to</p> <p>23 investigate.</p> <p>24 MR. MAY: We will, absolutely.</p> <p>25 MR. GORDON: And I will suggest that</p>	<p style="text-align: right;">99</p> <p>1 we -- that we revisit that issue and issue to you a</p> <p>2 corrected one, if it's -- if that's correct.</p> <p>3 MR. GORDON: Okay. For the record, I've</p> <p>4 gone through the various forms and for the year</p> <p>5 2000, there were no ALTA short form issued by</p> <p>6 Chicago Title. From 2001, there were 12. In 2002,</p> <p>7 as noted on Deposition Exhibit No. 15, there were</p> <p>8 4,863. In 2003, there were 3,082. In 2004, there</p> <p>9 were 976. And in 2005, there were 292.</p> <p>10 MR. MAY: What was the 2004?</p> <p>11 MR. GORDON: 2004 was 976.</p> <p>12 BY MR. GORDON:</p> <p>13 Q. And Ms. Ray, I'm wondering just -- I</p> <p>14 mean these numbers seems to peak in 2002 after being</p> <p>15 almost nonexistent before that, and then they</p> <p>16 quickly go down. Do you know why there was such a</p> <p>17 drop in the ALTA short form policies.</p> <p>18 A. No.</p> <p>19 Q. Okay. And with that, I understand that</p> <p>20 we're at the end of the tape. This might be a good</p> <p>21 time to take a break.</p> <p>22 THE VIDEO OPERATOR: Everybody hold on</p> <p>23 hold on, please. We are going off record at 11:21.</p> <p>24 This concludes tape No. 1.</p> <p>25 (Brief recess.)</p>
<p style="text-align: right;">98</p> <p>1 Deposition Exhibit 18 is incorrect and inaccurate</p> <p>2 and leaves off the ALTA short form policies.</p> <p>3 MR. MAY: Well, let me state for the</p> <p>4 record, No. 1, counsel prepared this, so if there's</p> <p>5 an error in it, we take responsibility for it. No.</p> <p>6 2, we do not want to have errors in what we provide</p> <p>7 to you. No. 3, if you had told us coming into this,</p> <p>8 we would have investigated and had a response, but</p> <p>9 we don't. But No. 4, now that you raise it, we</p> <p>10 will. Because as I repeat, we don't want to have</p> <p>11 errors in what is -- what is submitted to you and</p> <p>12 then what likely will ultimately be submitted to the</p> <p>13 court. And then finally, that -- Ms. Ray had</p> <p>14 nothing to do with the preparation of this.</p> <p>15 MR. GORDON: I'm not suggesting that she</p> <p>16 did, nor am I suggesting that it was an intentional</p> <p>17 oversight. But nonetheless, if you would recall</p> <p>18 from one of our other cases, it's the same oversight</p> <p>19 that we had discussed before in leaving out the ALTA</p> <p>20 short form policies, which need to be added in for</p> <p>21 the total number of policies that were issued.</p> <p>22 MR. MAY: I understand the issue, I do</p> <p>23 not mean to -- if there is an error, this is not</p> <p>24 meant as an excuse or whatever, but I was -- I did</p> <p>25 not prepare this directly, but I will make sure that</p>	<p style="text-align: right;">100</p> <p>1 (Mr. Searles not present.)</p> <p>2 THE VIDEO OPERATOR: We are back on the</p> <p>3 video record, 11:37 a.m. This is tape No. 2.</p> <p>4 (D-24 through D-28 marked for</p> <p>5 identification.)</p> <p>6 BY MR. GORDON:</p> <p>7 Q. Ms. Ray, I just have a couple documents</p> <p>8 I want to give you right now. These are other</p> <p>9 versions of the TIRBOP manual that were produced to</p> <p>10 us during discovery. This is Exhibit 24 and</p> <p>11 Exhibit 25. And I believe that the first one that I</p> <p>12 gave you, which is the latest one that would have</p> <p>13 been in place during the Cohen transaction, was</p> <p>14 Exhibit 23.</p> <p>15 A. Okay.</p> <p>16 Q. This is Exhibit 25. And I'd also like</p> <p>17 to give you -- and this is in the order that it was</p> <p>18 received from counsel, during the production of</p> <p>19 documents, Exhibit 26, 27 and 28.</p> <p>20 Now these all relate to the TIRBOP</p> <p>21 manual which is, as I think we have discussed either</p> <p>22 in this deposition or one of the others, the</p> <p>23 official product of the Rating Bureau for the</p> <p>24 Commonwealth of Pennsylvania. Is that your</p> <p>25 understanding as well?</p>



## ELIZABETH RAY

<p style="text-align: right;">101</p> <p>1 A. Yes, sir.</p> <p>2 Q. And do you know which schedule goes with</p> <p>3 which? Schedules are Deposition Exhibits 26, 27 and</p> <p>4 28. I would have put them with the proper TIRBOP</p> <p>5 manual but I didn't want to presume that one went</p> <p>6 with another, without asking you. But are these, in</p> <p>7 fact, the addendum to the TIRBOP manuals?</p> <p>8 A. Yes. One of the addendums.</p> <p>9 Q. This is the one that would show the rate</p> <p>10 that would be available to charge a particular</p> <p>11 consumer for a particular type of insurance, would</p> <p>12 it not?</p> <p>13 A. Yes, except these rates don't have the</p> <p>14 refinance which is in a different part of the</p> <p>15 manual. The substitution rate, excuse me.</p> <p>16 Q. Okay. And again, for purposes of our</p> <p>17 discussion today, the substitution rate and the</p> <p>18 refinance rate are referring to the same thing?</p> <p>19 A. Substitution rate is set forth -- hold</p> <p>20 on.</p> <p>21 Q. Well, let's look at Section 5.6 of the</p> <p>22 --</p> <p>23 MR. MAY: I think we have stipulated</p> <p>24 that it's synonymous.</p> <p>25 MR. GORDON: Yeah. Well, let's just</p>	<p style="text-align: right;">103</p> <p>1 Q. Especially in the forms produced to the</p> <p>2 Commonwealth of Pennsylvania.</p> <p>3 A. Okay.</p> <p>4 Q. If you would like to refer to it as</p> <p>5 substitution rate, that's fine, just as long as we</p> <p>6 understand that we're talking about the same thing.</p> <p>7 A. Okay.</p> <p>8 MR. MAY: And I'll stipulate that they</p> <p>9 are synonymous.</p> <p>10 BY MR. GORDON:</p> <p>11 Q. So is it your testimony that there is</p> <p>12 another addenda that sets out the refinance rate?</p> <p>13 A. No.</p> <p>14 Q. Okay.</p> <p>15 A. I'm sorry. The addendum I was referring</p> <p>16 to is the 5.6.</p> <p>17 Q. Okay. And then how would one go from</p> <p>18 the addendum, which only lists the basic and reissue</p> <p>19 rate to calculating the refinance rate?</p> <p>20 A. Simple mathematics.</p> <p>21 Q. Simple mathematics. You take another 20</p> <p>22 percent off?</p> <p>23 A. Of the reissue rate.</p> <p>24 Q. Okay. I'm going to ask you some more</p> <p>25 questions about this in a couple minutes but I just</p>
<p style="text-align: right;">102</p> <p>1 look at Section 5.6 of the TIRBOP manual.</p> <p>2 A. Okay.</p> <p>3 Q. You can use Exhibit 23 since that's the</p> <p>4 one during the Cohen transaction.</p> <p>5 A. Okay.</p> <p>6 Q. And if you look at Section 5.6.</p> <p>7 A. Uh-huh.</p> <p>8 Q. How does it refer to the rate?</p> <p>9 A. When a refinance or a substitution loan</p> <p>10 is made within three years from the date of closing</p> <p>11 of a previously insured mortgage or fee interest and</p> <p>12 the premises to be insured are identical to or part</p> <p>13 of the real property previously insured and there</p> <p>14 has been no charge in the fee simple ownership, the</p> <p>15 charge shall be 80 percent of the reissue rate.</p> <p>16 Q. I thank you for reading that. But how</p> <p>17 is the rate described in Section 5.6? What's the --</p> <p>18 MR. MAY: The top, what's the name?</p> <p>19 BY MR. GORDON:</p> <p>20 Q. The caption.</p> <p>21 A. Oh. Refinance and substitution loans.</p> <p>22 Q. Okay. So again, just for purposes of</p> <p>23 clarification, I'm going to call it the refinance</p> <p>24 rate because that's how I've seen it.</p> <p>25 A. Okay.</p>	<p style="text-align: right;">104</p> <p>1 want to go back a little bit because I'm curious.</p> <p>2 Is there an underwriting manual or escrow guidelines</p> <p>3 that Chicago Title has?</p> <p>4 A. There is escrow guidelines.</p> <p>5 Q. Is that given to your agents?</p> <p>6 A. Yes.</p> <p>7 Q. They each have a copy it?</p> <p>8 A. Yes. It's escrow account for agents,</p> <p>9 you know, how to make sure that they are in format,</p> <p>10 what we would like to see as an underwriter for</p> <p>11 the -- pursuant to the escrow account.</p> <p>12 Q. Okay. Is there anything in the escrow</p> <p>13 guidelines that addresses the issue of reissue rates</p> <p>14 or refinance rates?</p> <p>15 A. No.</p> <p>16 Q. Is there an underwriting manual?</p> <p>17 A. The underwriting manual, that we give is</p> <p>18 the TIRBOP manual.</p> <p>19 Q. That's the only instruction?</p> <p>20 A. Correct.</p> <p>21 Q. And obviously, that does have</p> <p>22 information in it about refinance rates and reissue</p> <p>23 rates?</p> <p>24 A. Correct.</p> <p>25 Q. And it's the law, is it not?</p>

## ELIZABETH RAY

<p style="text-align: right;">105</p> <p>1 MR. MAY: Object to form.</p> <p>2 A. In the State of Pennsylvania, this --</p> <p>3 all agents must abide by the TIRBOP manual.</p> <p>4 Q. Other than what is in TIRBOP manual,</p> <p>5 does Chicago Title have any other manuals, forms,</p> <p>6 documents that they give to their agents regarding</p> <p>7 the applicability of reissue rates or refinance</p> <p>8 rates?</p> <p>9 A. No.</p> <p>10 Q. Does Chicago Title have any seminars</p> <p>11 that they've held specifically for agents on when to</p> <p>12 provide the refinance rate or the reissue rate?</p> <p>13 A. No.</p> <p>14 Q. When a new issue comes in and becomes</p> <p>15 part of the Chicago Title family, other than giving</p> <p>16 the agent a copy of the TIRBOP manual, is there any</p> <p>17 specific training on whether -- on the circumstances</p> <p>18 under which the agent is to give the reissue or the</p> <p>19 refinance rate?</p> <p>20 A. No.</p> <p>21 Q. Now, I'd like you to take a look at the</p> <p>22 TIRBOP manual and let's look specifically at No. 23,</p> <p>23 Exhibit 23.</p> <p>24 A. Okay.</p> <p>25 Q. How is the manual structured?</p>	<p style="text-align: right;">107</p> <p>1 A. Correct.</p> <p>2 Q. Section 5.1 relates to owner's title</p> <p>3 insurance?</p> <p>4 A. Correct.</p> <p>5 Q. And then if we turn to Section .5 3.</p> <p>6 A. Okay.</p> <p>7 Q. What does 5.3 relate to?</p> <p>8 A. A reissue rate.</p> <p>9 Q. And could you please read the reissue</p> <p>10 rate section?</p> <p>11 A. A purchaser of title insurance policy</p> <p>12 shall be entitled to purchase this coverage at the</p> <p>13 reissue rate and the real property to be insured is</p> <p>14 identical or is part of real property insured ten</p> <p>15 years immediately prior to the date of the entered</p> <p>16 transaction closes when the evidence of the earlier</p> <p>17 policy is produced, notwithstanding the amount of</p> <p>18 coverage provided by the prior policy.</p> <p>19 Q. Now, you would agree that this provision</p> <p>20 does not state who has to produce the prior</p> <p>21 evidence, is that correct?</p> <p>22 MR. MAY: Object to the form. I'm going</p> <p>23 to instruct the witness to answer if she had an</p> <p>24 answering in her mind she can testify to that. But</p> <p>25 she's not here to do the linguistics of the</p>
<p style="text-align: right;">106</p> <p>1 MR. MAY: Object to form.</p> <p>2 BY MR. GORDON:</p> <p>3 Q. It's set out in its table of contents,</p> <p>4 isn't it?</p> <p>5 A. Correct.</p> <p>6 Q. Pretty easy to follow?</p> <p>7 A. Correct.</p> <p>8 Q. And if we turn to Section 2.1 of the</p> <p>9 manual, which is under general rules.</p> <p>10 A. Mm-hmm.</p> <p>11 Q. Could you please read that first</p> <p>12 sentence?</p> <p>13 A. All charges for title insurance coverage</p> <p>14 provided by approved policies, endorsements be made</p> <p>15 as set forth in this manual.</p> <p>16 You may continue.</p> <p>17 Q. And that means that the manual has to be</p> <p>18 followed?</p> <p>19 A. Correct.</p> <p>20 Q. And if we continue to look through</p> <p>21 TIRBOP manual, we see that Section 5.1 relates to</p> <p>22 owner's title insurance?</p> <p>23 A. Correct.</p> <p>24 Q. Actually Section 5 generally relates to</p> <p>25 policies and rates, correct?</p>	<p style="text-align: right;">108</p> <p>1 document.</p> <p>2 MR. GORDON: I'm asking her whether or</p> <p>3 not her understanding is does the rate say who has</p> <p>4 to produce the evidence.</p> <p>5 A. It does not.</p> <p>6 Q. Could be the agent?</p> <p>7 A. Could be, you know, generalized, you</p> <p>8 know. My guess could be the agent, it could be the</p> <p>9 borrower. It could be the real estate agent. It</p> <p>10 could be the broker could produce it.</p> <p>11 MR. MAY: I'm going to instruct the</p> <p>12 witness not to guess.</p> <p>13 THE WITNESS: Oh, okay.</p> <p>14 MR. MAY: Just state what your</p> <p>15 understanding was, if you had an understanding.</p> <p>16 THE WITNESS: Okay.</p> <p>17 BY MR. GORDON:</p> <p>18 Q. Do you have any understanding,</p> <p>19 whatsoever as to who has to produce the evidence?</p> <p>20 A. Typically, the borrower would produce</p> <p>21 the evidence.</p> <p>22 Q. Okay. And where do you gain that</p> <p>23 understanding from?</p> <p>24 A. Because they would be the person that</p> <p>25 would have the -- either a prior HUD or a prior</p>

## ELIZABETH RAY

<p style="text-align: right;">109</p> <p>1 policy.</p> <p>2 Q. What evidence of the prior policy --</p> <p>3 what's -- strike that. How is evidence of a prior</p> <p>4 policy satisfied?</p> <p>5 A. By producing a prior policy.</p> <p>6 Q. Okay. Prior policy. A prior HUD-1?</p> <p>7 A. A prior HUD-1 also.</p> <p>8 Q. Prior mortgage?</p> <p>9 A. No.</p> <p>10 Q. A prior note?</p> <p>11 A. No.</p> <p>12 Q. And where do you gain this understanding</p> <p>13 from, Ms. Ray?</p> <p>14 A. Because when an owner's policy is sent</p> <p>15 to the owner, then they would have access to their</p> <p>16 own HUD-1 or their own owner's policy.</p> <p>17 Q. Okay. Is it your understanding that the</p> <p>18 owner has the obligation to produce that prior</p> <p>19 policy?</p> <p>20 A. Yes.</p> <p>21 Q. And is it your understanding that the</p> <p>22 agent has no obligation to obtain evidence of a</p> <p>23 prior policy?</p> <p>24 A. Yes.</p> <p>25 Q. You would agree, wouldn't you, that --</p>	<p style="text-align: right;">111</p> <p>1 sets it out exactly what needs -- you know, what is</p> <p>2 to be produced. Prior to that, we basically, you</p> <p>3 know, the agents would determine whether -- whatever</p> <p>4 information is provided to them would determine</p> <p>5 whether or not to charge a basic or a reissue rate.</p> <p>6 Q. And Chicago Title didn't provide any</p> <p>7 training to their agents in that regard, did they?</p> <p>8 A. No.</p> <p>9 Q. And you didn't provide any training to</p> <p>10 your agents in that regard, did you?</p> <p>11 A. No.</p> <p>12 Q. And there were no other instructions</p> <p>13 whatsoever to the agents on what constituted prior</p> <p>14 evidence?</p> <p>15 A. Other than the items set forth in the</p> <p>16 TIRBOP manual, they are supposed to abide by.</p> <p>17 Q. Okay. And this version of the TIRBOP</p> <p>18 manual doesn't enumerate any circumstances, does it?</p> <p>19 MR. MAY: Objection. Speaks for itself.</p> <p>20 A. It is what it is on the --</p> <p>21 Q. Does it set forth any circumstances,</p> <p>22 Ms. Ray?</p> <p>23 A. It just says trans -- it says part of</p> <p>24 the real property insured ten years immediately</p> <p>25 prior to the day of the -- closes when evidence of</p>
<p style="text-align: right;">110</p> <p>1 and I think that you've already stated this in your</p> <p>2 testimony, that the borrower does not obtain a copy</p> <p>3 of the lender's title insurance policy?</p> <p>4 A. That's correct.</p> <p>5 Q. And evidence of a prior lender's title</p> <p>6 insurance policy also is sufficient?</p> <p>7 A. Correct. That would -- the borrower</p> <p>8 would have access to their HUD-1.</p> <p>9 Q. So is it your suggestion that only</p> <p>10 producing the HUD-1 entitles a borrower to the</p> <p>11 reissue rate, based upon the prior --</p> <p>12 A. Sure.</p> <p>13 Q. -- lender's policy?</p> <p>14 A. Yes.</p> <p>15 Q. Is there any other evidence whatsoever</p> <p>16 that you can possibly think of that would entitle</p> <p>17 the borrower to the reissue rate based upon the</p> <p>18 prior lender's policy?</p> <p>19 A. No.</p> <p>20 Q. So if the borrower does not</p> <p>21 affirmatively produce the HUD-1, they would not</p> <p>22 receive from Chicago Title the reissue rate?</p> <p>23 A. I don't know.</p> <p>24 Q. Well, what do you tell your agents?</p> <p>25 A. Prior to the 2005 manual update, it now</p>	<p style="text-align: right;">112</p> <p>1 earlier policy is produced, notwithstanding the</p> <p>2 amount of coverage provided by the prior policy.</p> <p>3 That's what it says.</p> <p>4 Q. And it's your understanding that Chicago</p> <p>5 Title left this completely up to the agent to decide</p> <p>6 what this meant?</p> <p>7 A. Correct.</p> <p>8 Q. Okay. Now, if we could turn to --</p> <p>9 before I ask my next question, and if there is no</p> <p>10 evidence whatsoever of that prior policy, either a</p> <p>11 prior owner's policy or a prior lender's policy</p> <p>12 produced by the borrower, as you've testified, then</p> <p>13 that borrower would not obtain the reissue rate?</p> <p>14 A. I don't know if they would or not.</p> <p>15 Q. Okay. I thought that that was your</p> <p>16 testimony, though, that it's the borrower's</p> <p>17 obligation.</p> <p>18 MR. MAY: No, that's a misstatement of</p> <p>19 her testimony. You asked her --</p> <p>20 MR. GORDON: Well, the record will speak</p> <p>21 for itself as to what the witness said.</p> <p>22 MR. MAY: Right. So when you misstated</p> <p>23 your her testimony, I wanted to lodge that</p> <p>24 objection.</p> <p>25 BY MR. GORDON:</p>

## ELIZABETH RAY

<p style="text-align: right;">113</p> <p>1 Q. Whose obligation is it?</p> <p>2 MR. MAY: Object to form.</p> <p>3 BY MR. GORDON:</p> <p>4 Q. Whose obligation is it to obtain prior</p> <p>5 evidence under the reissue rate section of the</p> <p>6 TIRBOP manual?</p> <p>7 MR. MAY: Objection. Asked and</p> <p>8 answered. You asked two separate questions, what</p> <p>9 her opinion was versus what agents actually do and</p> <p>10 then you confused the two.</p> <p>11 THE WITNESS: Yeah.</p> <p>12 MR. GORDON: Mr. May -- Mr. May, I</p> <p>13 appreciate your objection. As I told you, you can</p> <p>14 make any objections you want if the witness is not</p> <p>15 in the room. I would ask you at this point,</p> <p>16 however, limit your objection to objection to form,</p> <p>17 because that's all that's permissible under the</p> <p>18 Federal Rules. Anything more than that --</p> <p>19 MR. MAY: Well, I don't know about that.</p> <p>20 MR. GORDON: -- we can ask the witness</p> <p>21 to leave the room. I feel very strongly about this</p> <p>22 at this point. Because you're now testifying rather</p> <p>23 than the witness.</p> <p>24 MR. MAY: I'm -- first of all, I will</p> <p>25 not say anything more, I will not say anything more.</p>	<p style="text-align: right;">115</p> <p>1 A. They should ask, yeah. I mean...</p> <p>2 Q. What should they ask?</p> <p>3 A. Ask their customer if, you know, if they</p> <p>4 have a prior HUD-1 or a prior title policy.</p> <p>5 Q. Let's turn to section 5.6, Ms. Ray.</p> <p>6 A. Okay.</p> <p>7 Q. And that's the section on refinance and</p> <p>8 substitution loans. And I know that you've read it</p> <p>9 before. I'm going to ask you to just, for purposes</p> <p>10 of continuity just read it one for time for me.</p> <p>11 A. Okay. When a refinance or substitution</p> <p>12 loan is made within three years from the date of</p> <p>13 closing of a previously insured mortgage or fee</p> <p>14 interest, and the premises to be insured are</p> <p>15 identical to or part of the real property previously</p> <p>16 insured and there has been no change in fee simple</p> <p>17 ownership, the charge shall be 80 percent of the</p> <p>18 reissue rate.</p> <p>19 Q. Now, would you agree that Section 5.6</p> <p>20 doesn't require evidence to be produced?</p> <p>21 MR. MAY: Object to form.</p> <p>22 A. I can't really generalize on that.</p> <p>23 Q. Well, does the rate say anything about</p> <p>24 evidence being produced the same way that Section</p> <p>25 5.3 did?</p>
<p style="text-align: right;">114</p> <p>1 But what I did was not testify. What I did was</p> <p>2 object to your misstatement of testimony.</p> <p>3 MR. GORDON: Could you please answer the</p> <p>4 question?</p> <p>5 THE WITNESS: Could you repeat the</p> <p>6 question?</p> <p>7 MR. GORDON: Sure. Could you repeat the</p> <p>8 question?</p> <p>9 (Pertinent portion of the record is read</p> <p>10 back.)</p> <p>11 A. Typically, it would be from the</p> <p>12 borrower.</p> <p>13 Q. Who else?</p> <p>14 A. Sometimes the real estate agent would</p> <p>15 have access to that information by their</p> <p>16 relationship with the borrower. Maybe the borrowers</p> <p>17 gave it to their mortgage broker or their lender,</p> <p>18 you know, it could be, you know...</p> <p>19 Q. Anyone else?</p> <p>20 A. No. I don't know.</p> <p>21 Q. Would Chicago Title's agents, in your</p> <p>22 view, have any obligation or duty to obtain evidence</p> <p>23 of the prior policy?</p> <p>24 A. They should inquire.</p> <p>25 Q. They should ask?</p>	<p style="text-align: right;">116</p> <p>1 A. It does not.</p> <p>2 Q. And isn't it, in fact, true that any</p> <p>3 title agent who's conducted the abstract will have</p> <p>4 all this information?</p> <p>5 MR. MAY: Object to form.</p> <p>6 A. No.</p> <p>7 Q. Okay. Well, they will -- will they know</p> <p>8 that there has been a previously -- a previous</p> <p>9 mortgage loan within the previous three years? They</p> <p>10 know that.</p> <p>11 A. By looking at the -- by looking at the</p> <p>12 search. Basically, the search is just going to show</p> <p>13 everything of record.</p> <p>14 Q. And that will always show whether or not</p> <p>15 there's been a mortgage in the previous three years,</p> <p>16 correct?</p> <p>17 A. It will show if there was a mortgage</p> <p>18 within the previous three years, correct, I guess,</p> <p>19 yeah, if it's of record.</p> <p>20 Q. And there's been previous testimony in</p> <p>21 this case that pretty much every loan, every lender</p> <p>22 requires that there be title insurance taken out?</p> <p>23 MR. MAY: Object to form. Object to</p> <p>24 mischaracterization of prior testimony.</p> <p>25 A. Not necessarily.</p>



## ELIZABETH RAY

<p style="text-align: right;">117</p> <p>1 Q. Do you know of any lender that doesn't 2 require title insurance, Ms. Ray?</p> <p>3 A. I have heard of some lenders that do not 4 require title insurance.</p> <p>5 Q. Name them.</p> <p>6 A. Although I cannot name them, there are 7 certain, like, credit unions -- for example, my own 8 personal transaction. I got a loan with Ditech and 9 they did not require title insurance.</p> <p>10 Q. Was that a first mortgage or a second 11 mortgage?</p> <p>12 A. It was a second mortgage.</p> <p>13 Q. A second mortgage.</p> <p>14 A. Yeah, but --</p> <p>15 Q. Do you know of any first mortgages that 16 do not require title insurance?</p> <p>17 A. I have heard of some, actually.</p> <p>18 Q. Okay. Again, I want to get more 19 specific. Who have you heard doesn't require it for 20 a first mortgage?</p> <p>21 A. Certain smaller credit unions that have 22 a lower threshold. For example, if they're going to 23 lend under a certain amount, maybe, you know, it 24 could be 125,000 or something, they don't require 25 title insurance, they rely on an attorney opinion</p>	<p style="text-align: right;">119</p> <p>1 didn't require title insurance for a first mortgage, 2 have you?</p> <p>3 A. Again, personally, my Ditech loan was 4 paid in my full and my release wasn't filed on my 5 first, so, you know -- they went into first lien 6 position because my release of lien was not filed on 7 my first, so they didn't require title insurance.</p> <p>8 Q. Would you be willing to produce those 9 documents for me?</p> <p>10 A. Sure.</p> <p>11 MR. MAY: Well -- no, you're not going 12 to -- no. I'm not going to have the witness start 13 producing her own personal files of her own 14 transactions.</p> <p>15 A. And I'd rather not.</p> <p>16 Q. Was it a second mortgage or a first 17 mortgage?</p> <p>18 A. It was a second mortgage.</p> <p>19 Q. Okay. Can a borrower ever produce 20 evidence of the lender's policy? Did they ever 21 produce the lender's policy?</p> <p>22 A. If the borrower calls their lender and 23 requests a copy of it.</p> <p>24 Q. Okay. Is that something that just as 25 easily a title company could do?</p>
<p style="text-align: right;">118</p> <p>1 letter. Again, I can't really give you that, 2 because all I deal with are the files that require 3 title insurance, so -- but I have heard, there are 4 lenders.</p> <p>5 Q. But, in fact, you can't name one of them 6 today, can you?</p> <p>7 A. Again, I know it's out there and, you 8 know, again, I deal with the files that do require 9 title insurance.</p> <p>10 Q. But can you name any?</p> <p>11 A. There are some.</p> <p>12 Q. Can you name any?</p> <p>13 A. I cannot name off the top of my head.</p> <p>14 Q. Okay. If at any point after this 15 deposition you obtain the name of any that do not 16 typically require title insurance, I would invite 17 you to please provide it to me.</p> <p>18 A. Okay.</p> <p>19 Q. Because I don't think there are any.</p> <p>20 MR. MAY: Objection. That's arguing 21 with the witness as opposed to asking questions. So 22 you don't have to respond to that.</p> <p>23 BY MR. GORDON:</p> <p>24 Q. You've never dealt specifically with any 25 credit union or lender in any circumstance that</p>	<p style="text-align: right;">120</p> <p>1 A. Sure. They can actually -- the borrower 2 can actually go back to that agent, wherever they 3 close before and request a copy.</p> <p>4 Q. And so can the agent, the current agent 5 that they're dealing with?</p> <p>6 A. Typically other agents don't like to 7 share information.</p> <p>8 Q. Okay.</p> <p>9 A. So -- because they're not allowed to -- 10 they don't have access to that file, it's not 11 theirs. Typically, the borrower would control that 12 file.</p> <p>13 Q. Okay. Ms. Ray, in your understanding of 14 5.6 of the TIRBOP manual in front of you --</p> <p>15 A. Okay.</p> <p>16 Q. -- what evidence is necessary in order 17 for a consumer to get the refinance rate?</p> <p>18 A. It would be a -- could you repeat the 19 question?</p> <p>20 Q. Is there any evidence that is required 21 under the written terms of section 5.6 for a 22 consumer to obtain the reissue rate -- I'm sorry, 23 the refinance rate?</p> <p>24 MR. MAY: Again, what was your 25 understanding?</p>

## ELIZABETH RAY

<p style="text-align: right;">121</p> <p>1 A. My understanding, the borrower does not 2 have to -- like I said, I don't know what they 3 would -- what they would require or not, you know. 4 It is what it is. The rate is what it is. 5 Q. Well, what was Chicago Title telling its 6 agents was required? 7 A. Well, if they have -- if they have 8 evidence that a loan was made within three years and 9 it was previously insured, then the customer is 10 entitled to 80 percent of the reissue rate. 11 Q. Is that essentially what was in 5.6? 12 A. Yeah. 13 Q. Okay. I will ask you again, the Section 14 5.6, doesn't have the word evidence in it, does it? 15 A. No, it does not. 16 Q. And isn't it, in fact, true that Chicago 17 Title really didn't give their agents any 18 instruction beyond the TIRBOP manual? 19 A. Correct. Can I back that up? I can't 20 speak for Chicago Title Insurance. I'm speaking for 21 myself. So... 22 Q. Well, you are the agency liaison, aren't 23 you? 24 A. I'm the agency rep. If a question was 25 asked upon our underwriting counsel from the agent,</p>	<p style="text-align: right;">123</p> <p>1 just to make sure we're operating off the same one, 2 what is the Bates No., off of the bottom of that 3 exhibit? 4 A. CHI10227. D-26, correct? 5 Q. Okay, let's go with that one. \$100,000. 6 A. Mm-hmm. 7 Q. Is the basic rate for \$100,000 in title 8 insurance is? 9 A. You're asking me? 10 Q. I'm asking you. 11 A. I'm sorry. 100,000 is 828.75. 12 Q. And that's something that you just look 13 up on the sheet? 14 A. Correct. 15 Q. And then if you want to determine what 16 the reissue rate is, how do you determine that? 17 A. Look on the sheet. 18 Q. Look on the sheet. And what does that 19 come out to? 20 A. 745.88. 21 Q. And then if we want to determine beyond 22 that if someone is entitled to the refinance rate, 23 what do we do to that that 745.88? 24 A. Subtract for the -- subtract 20 percent. 25 80 percent of the reissue.</p>
<p style="text-align: right;">122</p> <p>1 about specific rates, that question wouldn't come to 2 me, it would go to my underwriter. 3 Q. Okay. Did any agent ever ask you that 4 question? 5 A. No. 6 Q. Under the new TIRBOP manual, has any 7 agent ever asked you that question? 8 A. No, because it really establishes clear 9 after the updated 2005. No. 10 Q. Okay. So the update in 2005 clarified 11 what was necessary in order to obtain the rate? 12 MR. MAY: Object to form -- the rate 13 that was necessary. 14 A. It clarified a lot more of the reissue 15 rate. 16 Q. Okay. Could you please turn to Exhibit 17 No. -- I think it's 26. 18 A. Okay. 19 Q. I just want to see how the refinance 20 rate and the reissue rate work. 21 Let's say, for example, a Chicago Title 22 agent determines that someone is entitled to their 23 reissue rate. 24 A. Mm-hmm. 25 Q. For \$100,000 of title insurance. Now,</p>	<p style="text-align: right;">124</p> <p>1 Q. Again, a simple mathematical 2 calculation? 3 A. Correct. 4 Q. But there are other ways to determine 5 the applicable policy rate, aren't there? 6 A. Yes. 7 Q. You could go on Chicago Title's web 8 site, can't you? 9 A. Well, I've never been on the web site. 10 It would -- anything on Chicago Title would have the 11 rates as listed pursuant to the TIRBOP, but there 12 are other -- if you Google, like I said, Google, PA 13 title -- PA title rate, a screen would appear to 14 come up for Pennsylvania rates. That would show all 15 of the applicable rates. 16 Q. Have you ever have you ever been to 17 Chicago Title's web site? 18 A. Occasionally. Not necessarily. I 19 mainly go through my corporate web site. 20 Q. Okay. I show you what's been marked as 21 Deposition Exhibit 29. 22 (D-29 marked for identification.) 23 MR. GORDON: Mr. May, quite surprising, 24 this appears to be the only copy that I have of this 25 and I would be happy to go out and get you another</p>

## ELIZABETH RAY

<p style="text-align: right;">125</p> <p>1 copy or you can look on with the witness.  2 MR. MAY: I'll look on with the witness.  3 BY MR. GORDON:  4 Q. Okay. Deposition Exhibit No. 29. And  5 if you type in www.ctic.com, which is Chicago Title  6 Insurance Company, this is the screen that comes up.  7 And on that very first opening page, it says, rate  8 calculator, click here.  9 A. Mm-hmm.  10 Q. Have you ever seen that before?  11 A. I knew that there are several Chicago  12 Title web sites available and I wouldn't rely on  13 this rate calculator, because I don't know how state  14 specific it would be.  15 Q. Well, let's see how state specific it  16 can be. If you turned --  17 MR. MAY: With all these questions, just  18 answer what you know.  19 A. Okay.  20 Q. Let's see how state specific it is.  21 Because if you go in, you click on rate calculator,  22 you turn to the third page of the Deposition  23 Exhibit. It has an opening screen and it asks for  24 the zip code. Would that indicate to you that it  25 can potentially get very rate -- very state</p>	<p style="text-align: right;">127</p> <p>1 A. Mm-hmm.  2 Q. And in Ms. Cohen's case it was 57,600?  3 A. Mm-hmm.  4 Q. Does that sound correct to you?  5 A. That's what it says here.  6 Q. Okay. Does that sound correct to you  7 from Ms. Cohen's transaction? And if you could  8 please take a look at Deposition Exhibit No. 19.  9 You can look at the title commitment in this regard.  10 A. Do you have a copy of the mortgage?  11 Q. I'm sure it's all in there, but I think  12 that all this information can be taken off the title  13 commitment?  14 A. I agree, 57,6.  15 Q. Okay. Is that taken off the title  16 commitment?  17 A. No.  18 Q. Can you turn to the title commitment?  19 A. Sure.  20 Q. Can you determine what the mortgage  21 amount is from the title commitment?  22 A. 57,6.  23 Q. Okay.  24 A. \$57,600.  25 Q. So that's yes?</p>
<p style="text-align: right;">126</p> <p>1 specific?  2 A. I guess.  3 Q. And could you please read that first  4 paragraph, underneath where it says Chicago Title  5 rate calculator?  6 A. As a service to our customers we have  7 added rate calculators to our site in order to  8 provide you an idea of possible costs for your  9 transaction. Circumstances may vary, causing actual  10 rates to differ than those given to you by these  11 calculations. The rates provided are based on the  12 sales prior or loan amount of your transaction.  13 Q. Okay. And what the site instructs you  14 to do is to put your zip code in, then it says  15 submit and you click on that. Do you see that?  16 A. Mm-hmm, yes.  17 Q. And what pops up next is the next page,  18 where more specific information is asked for. And  19 if you look towards the middle, there's information  20 that we need to fill. The zip code 19144 happens to  21 be for Ms. Cohen. That's where she lives. And if  22 you look, it asks for the county and the State of  23 Pennsylvania. I believe those actually pop up  24 automatically. And it asks for the amount of the  25 transaction.</p>	<p style="text-align: right;">128</p> <p>1 A. Yes.  2 Q. Then it asks for prior amount. Can you  3 determine from the title commitment what the prior  4 amount -- what the prior mortgage was?  5 A. There's several prior mortgages listed  6 of record.  7 Q. Okay. How about for the most recent  8 one. Is there one in March of 1999?  9 A. Appears to be, yes.  10 Q. What was the amount of that mortgage?  11 A. 44,175.  12 Q. And we got that information right off  13 the title commitment?  14 A. It's of record.  15 Q. Okay. And putting that in, it also asks  16 for the prior date. And can we get that off the  17 title commitment as well?  18 A. Well, the assigned -- it assigned it in  19 12-14-99, but the original mortgage was recorded on  20 3-19-99.  21 Q. Okay. So that information we can get  22 off the title commitment as well. Now, it appears  23 that I have to do a -- make up -- I put February  24 24th, 1999 in, but it doesn't -- wouldn't make any  25 difference whether it's February 24th, 1999 or the</p>

## ELIZABETH RAY

<p style="text-align: right;">129</p> <p>1 March 1999 date, would it, for purposes of 2 determining what rates are appropriate? 3 A. Yes, it would make a difference. You 4 would have to go off the 3-19-99 date -- well, I 5 would -- that was assigned to First National Bank in 6 December of 1999, whereas the original mortgage was 7 put of record on 3-5-1999. 8 MR. MAY: I'm going to just take this 9 opportunity to do a standing objection, so I don't 10 have to object each time, on the ground that the 11 transaction is a 2002 transaction and there's no 12 foundation that this version of this web site 13 existed in 2002. 14 BY MR. GORDON: 15 Q. And then if you hit submit, do you know 16 what happens at that point, after you put all this 17 information in? 18 A. Not familiar with the web site, but I 19 bet I'll find out. 20 Q. It will give you a rate, won't it? 21 A. I guess, yeah. 22 Q. Okay. Well, we will have to all sit in 23 suspense, since apparently I don't have that rate 24 attached -- oh, I'm sorry, I do. I don't have that 25 attached to my book. If I -- if you don't mind I'm</p>	<p style="text-align: right;">131</p> <p>1 to go calculate it on the web site, if that's what 2 your concern is. I will represent that I put this 3 information in myself and this is what the result 4 was. So what does it state down there? Does it 5 have a rate for the refinance rate? 6 A. It does have a rate for the refinance 7 rate, but this is affective after the 2005 update. 8 Q. I understand. 9 A. So anything prior to 2005, it would not 10 be correct. 11 Q. This would not be the actual rate that 12 Ms. Cohen should have received, but because the rate 13 changed? 14 A. Because of the update of the TIRBOP 15 manual after 2005. 16 Q. I understand. But if someone were going 17 in today to calculate what their rates should be, 18 they can easily determine that? 19 A. Seems like it gives all the available 20 options. 21 Q. And you would agree that the only 22 information that you need is all readily available 23 on the title commitment? 24 A. No. 25 Q. For purposes of this rate calculator?</p>
<p style="text-align: right;">130</p> <p>1 going to look on with you. 2 You turn to the next page and then what 3 happens? It tells you all of the proper rates, does 4 it not, that could apply to this loan. 5 MR. MAY: Richard, I'm going to just say 6 that based on your reputation, I will stipulate that 7 this is what happened when you did the web site, but 8 that the witness has testified repeatedly, she's 9 never done it. In other words, you've done 10 something that she hasn't done, so her testimony is 11 not based on her knowledge. 12 MR. GORDON: Right. 13 MR. MAY: It's based on hearing what 14 you're having to say. 15 MR. GORDON: I am running through with 16 her what the Chicago Title web site itself will do 17 with respect to calculating rates. 18 MR. MAY: I agree. 19 MR. GORDON: That's what I'm doing. 20 MR. MAY: I agree that's what you're 21 doing and I would be willing to accept your 22 representations on it versus having basically the 23 witness listing to what you're saying and then 24 saying, yeah, that comes next, that comes next. 25 MR. GORDON: Okay. I'm not asking her</p>	<p style="text-align: right;">132</p> <p>1 Ms. Ray, did we look anywhere else other than -- do 2 we need to look anywhere else other than the title 3 commitment? 4 A. It's not transaction specific, so every 5 transaction is completely different. 6 Q. Okay. That's not really responsive to 7 my question, Ms. Ray. Did you look anywhere other 8 than the title commitment to determine what to put 9 into Chicago Title's own rate calculator? 10 MR. MAY: In the exercise you just went 11 through? 12 BY MR. GORDON: 13 Q. In the exercise we just went through? 14 A. Correct. In the exercise that we just 15 went through, correct, what you had guided me on. 16 Q. Everything was in the title commitment? 17 A. Mm-hmm, yes. 18 Q. Okay. Are you familiar with Premier 19 Help System? 20 A. I'm sorry? 21 Q. The Premier Help computer system? 22 A. No. 23 Q. Have you ever heard that term before? 24 A. No. 25 Q. No?</p>



## ELIZABETH RAY

<p style="text-align: right;">133</p> <p>1 A. Well -- no.</p> <p>2 Q. Do you know what internal computer</p> <p>3 system Chicago Title uses?</p> <p>4 A. Again, the National Agency, the NAS</p> <p>5 system. I don't have access to a Premier system, my</p> <p>6 stuff.</p> <p>7 Q. All this is collected out in Chicago by</p> <p>8 the Fidelity National companies?</p> <p>9 A. Yeah. There's two agency accounting</p> <p>10 offices. There's one in Chicago, one in Florida.</p> <p>11 Q. Okay. Is it ultimately captured,</p> <p>12 however, back up at the office in Chicago?</p> <p>13 A. I believe for this region, it is.</p> <p>14 Q. Okay. Let me take two minutes. I may</p> <p>15 be done.</p> <p>16 THE VIDEO OPERATOR: Hold on please.</p> <p>17 We're going off record at 12:19.</p> <p>18 (Brief recess.)</p> <p>19 (Mr. Snyder exits.)</p> <p>20 THE VIDEO OPERATOR: Back on the video</p> <p>21 record at 12:21.</p> <p>22 MR. GORDON: Ms. Ray, thank you very</p> <p>23 much. I have no further questions.</p> <p>24 THE WITNESS: All right, thank you.</p> <p>25 MR. MAY: Before you go off the video</p>	<p style="text-align: right;">135</p> <p>1 MR. GORDON: Objection as to form.</p> <p>2 A. No, I don't.</p> <p>3 Q. You don't know one way or the other?</p> <p>4 A. No.</p> <p>5 Q. Would you agree that -- well, strike</p> <p>6 that.</p> <p>7 You were asked about questions</p> <p>8 concerning purchase of title insurance in connection</p> <p>9 with first mortgages.</p> <p>10 A. Mm-hmm.</p> <p>11 Q. Does it occur that what may be a first</p> <p>12 mortgage at one point but -- I'm sorry, that what</p> <p>13 may be a second mortgage at one point can become a</p> <p>14 first mortgage?</p> <p>15 A. Yes.</p> <p>16 Q. How does that happen?</p> <p>17 A. By lenders not filing the proper release</p> <p>18 of liens of record.</p> <p>19 Q. And does it happen in any other</p> <p>20 circumstances?</p> <p>21 A. Yeah, if, again, you know -- I deal with</p> <p>22 my -- I deal with the title insurance files, and</p> <p>23 that's it.</p> <p>24 Q. What if a first mortgage position is</p> <p>25 paid off?</p>
<p style="text-align: right;">134</p> <p>1 record, Ms. Ray, I'm sorry to say that I just have a</p> <p>2 couple of follow-up questions.</p> <p>3 EXAMINATION</p> <p>4 BY MR. MAY:</p> <p>5 Q. Earlier in the deposition you testified</p> <p>6 that subsequent to the 2005 revision of the TIRBOP</p> <p>7 manual there's a disclosure of the reissue rate to</p> <p>8 the consumer, but not of the refinance rate. Is it</p> <p>9 your understanding that whatever is required to be</p> <p>10 disclosed by the 2005 TIRBOP manual, the Chicago</p> <p>11 Title form disclosure complies with the manual?</p> <p>12 A. Correct.</p> <p>13 MR. GORDON: I'm going to object as to</p> <p>14 form.</p> <p>15 BY MR. MAY:</p> <p>16 Q. Well, you don't have the 2005, the post</p> <p>17 2005 disclosure form in front of you, do you?</p> <p>18 A. No, I do not.</p> <p>19 Q. So is it -- would it be your</p> <p>20 understanding that whatever the disclosure in that</p> <p>21 form is, is the disclosure?</p> <p>22 A. Correct.</p> <p>23 Q. Okay. And do you have any understanding</p> <p>24 as to whether that post 2005 disclosure complies</p> <p>25 with whatever is required by the TIRBOP manual?</p>	<p style="text-align: right;">136</p> <p>1 A. Typically, the lender is supposed to</p> <p>2 file a release of lien which does not happen</p> <p>3 oftentimes. Sometimes it does, sometimes it</p> <p>4 doesn't.</p> <p>5 Q. And would it then appear to a subsequent</p> <p>6 title searcher -- what would it appear to a</p> <p>7 subsequent title searcher, in terms of what the</p> <p>8 previously second mortgage lien looks like?</p> <p>9 MR. GORDON: Objection as to form. And</p> <p>10 as to lack of foundation.</p> <p>11 BY MR. MAY:</p> <p>12 Q. Well, in the circumstances that you are</p> <p>13 referring to, if there had previously been a second,</p> <p>14 what would that look like to a title searcher?</p> <p>15 MR. GORDON: Objection as to form.</p> <p>16 A. They would see the first lien of record</p> <p>17 as well as any other liens of record, but it doesn't</p> <p>18 necessarily show you that it's still active.</p> <p>19 Sometimes loans are paid off and lenders don't file</p> <p>20 release of liens.</p> <p>21 Q. When you were asked earlier to testify</p> <p>22 to -- you -- the question, I believe, was -- strike</p> <p>23 that.</p> <p>24 I believe your testimony was that agents</p> <p>25 should inquire of someone as to the existence of</p>

ELIZABETH RAY

137

1 evidence of a prior policy. Do you recall that  
2 testimony?

3 A. Yes.

4 Q. Okay. Was that based on any legal  
5 analysis that you're aware of, or legal  
6 understanding, or is that just your feeling of  
7 what --

8 A. Just my feeling.

9 MR. MAY: That's all the questions I  
10 have.

11 MR. GORDON: Ms. Ray, thank you very  
12 much.

13 THE VIDEO OPERATOR: Okay. Hold on,  
14 please, hold on. This deposition is now concluded  
15 at 12:26.

16 (12:24 p.m.)  
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138

CERTIFICATE

I, Karen Friedlander, a Registered Merit Reporter and Commissioner of the Commonwealth of Pennsylvania, do hereby certify that prior to the commencement of the examination, the witness and/or witnesses were sworn by me to testify to the truth and nothing but the truth.

I do further certify that the foregoing is a true and accurate computer-aided transcript of the testimony as taken stenographically by and before me at the time, place and on the date hereinbefore set forth.

I do further certify that I am neither of counsel nor attorney for any party in this action that I am not interested in the event nor outcome of this litigation.

\_\_\_\_\_  
Registered Merit Reporter

Dated: \_\_\_\_\_



## ELIZABETH RAY

139

A				
<b>AB (1)</b> 36:12	1:2 138:15 <b>active (1)</b> 136:18	29:17 30:13 <b>affirmatively ...</b> 70:13 110:21	122:7,22 <b>agents (79)</b> 8:8,10,13 10:14	39:7 73:23 92:8 <b>al (1)</b> 4:4
<b>abide (2)</b> 105:3 111:16	<b>activity (2)</b> 91:13 92:12	<b>agencies (2)</b> 29:1,2	10:17 12:10 12:12 13:17	<b>Alamo (1)</b> 28:12
<b>able (8)</b> 9:17 27:1,3 29:20 50:23 50:23 63:14 87:1	<b>actual (4)</b> 39:15 50:8 126:9 131:11	<b>agency (24)</b> 8:4 18:17 25:21 26:1,2,3,17 27:9 32:7 59:13,16 60:7 74:12 81:5,6 81:23 83:2,4 83:22,22 121:22,24 133:4,9	13:20 14:10 16:10 17:8,10 17:16,20,22 18:16,18,23 24:10 28:22 30:2,18,25 32:11,12 33:1 50:23 54:17 55:15,15,19 58:8 59:10,25 63:14 67:11 67:18,19,19 67:20 68:4,8 68:13,20 69:23 73:21 76:24,24 77:18 78:2,9 79:16,24,25 83:15,18 87:22 88:4,15 88:23 89:4 90:12 104:5,8 105:3,6,11 110:24 111:3 111:7,10,13 113:9 114:21 120:6 121:6 121:17 136:24	<b>allow (1)</b> 41:6 <b>allowed (1)</b> 120:9 <b>ALTA (33)</b> 36:21 37:1 38:16 39:13 40:1,5,7,14,19 50:4,11,20,21 51:11,14,15 51:17,25 52:7 52:14 53:1,8 53:17,19 54:3 54:8 96:22 97:9,17 98:2 98:19 99:5,17
<b>absolutely (4)</b> 70:9,15 89:19 97:24	<b>added (3)</b> 97:11 98:20 126:7	<b>agent (82)</b> 17:24,25 19:3,4 19:7,9 26:15 26:16,25 29:18 30:1,1,8 30:13,17 31:14,15,17 32:16,19 33:6 33:16 54:7,20 55:2,8,22,25 56:2,11 57:5,7 59:17 60:22 60:25 61:2,15 61:23 65:1 72:8,10,16,16 72:20,21,23 72:24 73:22 73:24 74:11 74:20 75:23 76:1 78:14,22 79:2,3,23 80:8 80:12 81:19 82:3 83:25 86:15 89:21 90:23 105:16 105:18 108:6 108:8,9 109:22 112:5 114:14 116:3 120:2,4,4 121:25 122:3	63:14 67:11 67:18,19,19 67:20 68:4,8 68:13,20 69:23 73:21 76:24,24 77:18 78:2,9 79:16,24,25 83:15,18 87:22 88:4,15 88:23 89:4 90:12 104:5,8 105:3,6,11 110:24 111:3 111:7,10,13 113:9 114:21 120:6 121:6 121:17 136:24	51:11,14,15 51:17,25 52:7 52:14 53:1,8 53:17,19 54:3 54:8 96:22 97:9,17 98:2 98:19 99:5,17
<b>abstract (12)</b> 6:17 22:18 24:4 41:1 61:20,21 63:7 64:17 68:16,17,19 116:3	<b>addenda (3)</b> 3:12 49:23 103:12			<b>American (13)</b> 36:22 37:1,4,7 37:9,13,18,25 38:4,10,19,21 39:20
<b>abstracts (1)</b> 63:15	<b>addendum (4)</b> 49:22 101:7 103:15,18			<b>amount (15)</b> 35:12,17,19 66:6 82:12 97:10 107:17 112:2 117:23 126:12,24 127:21 128:2 128:4,10
<b>abstract's (1)</b> 63:17	<b>addendums (2)</b> 50:8 101:8			<b>analysis (1)</b> 137:5
<b>accept (2)</b> 95:9 130:21	<b>addition (2)</b> 52:19 53:17			<b>ANDREWS (1)</b> 2:10
<b>accept (2)</b> 95:9 130:21	<b>additional (3)</b> 47:25 52:18,20			<b>and/or (1)</b> 138:6
<b>access (6)</b> 81:25 109:15 110:8 114:15 120:10 133:5	<b>address (2)</b> 59:4 66:22			<b>annual (3)</b> 8:8 32:10,25
<b>accident (3)</b> 5:12,13,15	<b>addresses (2)</b> 59:7 104:13			<b>answer (18)</b> 23:2,11 27:15 30:6 41:10 43:25 44:24
<b>accommodate...</b> 6:10 76:10	<b>adequate (1)</b> 45:17			
<b>account (4)</b> 32:17 79:18 104:8,11	<b>adhere (1)</b> 37:24			
<b>accounting (4)</b> 83:5,22,23 133:9	<b>advance (1)</b> 64:16			
<b>accounts (1)</b> 79:17	<b>advised (1)</b> 77:7			
<b>accurate (1)</b> 138:10	<b>advising (1)</b> 77:14			
<b>acting (4)</b> 19:9,11 56:3,9	<b>affective (1)</b> 131:7			
<b>action (2)</b>	<b>affidavit (2)</b> 23:7 25:6			
	<b>affidavits (2)</b> 24:25 25:1			
	<b>affiliated (2)</b>			
			<b>ago (1)</b> 6:24	
			<b>agree (12)</b> 14:14 47:12,14 84:21 107:19 109:25 115:19 127:14 130:18 130:20 131:21 135:5	
			<b>agreement (3)</b> 20:15 27:9 56:25	
			<b>ahead (3)</b>	